



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAID SERVICES

Lori A. Shibillette
Commissioner

Henry D. Lipman
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9422 1-800-852-3345 Ext. 9422
Fax: 603-271-8431 TDD Access: 1-800-735-2964
www.dhhs.nh.gov

April 23, 2020

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

- 1. Pursuant to the provisions of RSA 14:30-a, VI, authorize the Department of Health and Human Services, Division of Medicaid Services to accept and expend federal funds in the amount of \$3,753,750 from the Centers for Medicare and Medicaid Services to fund the New Hampshire Hospital Disproportionate Share Hospital Payments, effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2020, and further authorize the allocation of these funds in the accounts below. 100% Federal Funds.

05-95-47-470010-79370000, HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS DEPT OF HHS: OFF. OF MEDICAID SERVICES, MEDICAID ADMINISTRATION

Class/Obj	Class Title	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
000-403978	Federal Funds	\$28,948,113	\$3,753,750	\$32,701,863
	General Funds	\$5,614,236	\$0	\$5,614,236
Total Revenue		\$34,562,349	\$3,753,750	\$38,316,099

010-500100	Personal Services-Perm. Classified	\$1,787,628	\$0	\$1,787,628
012-500128	Personal Services-Unclassified	\$490,061	\$0	\$490,061
018-500106	Overtime	\$7,500	\$0	\$7,500
020-500200	Current Expense	\$153,798	\$0	\$153,798
026-500251	Organizational Dues	\$12,200	\$0	\$12,200
030-500301	Equipment New/Replacement	\$6,700	\$0	\$6,700
037-500173	Technology-Hardware	\$1,250	\$0	\$1,250
038-500177	Technology-Software	\$680	\$0	\$680
039-500188	Telecommunications	\$26,200	\$0	\$26,200
040-500800	Indirect Costs	\$1,202,168	\$0	\$1,202,168

041-500801	Audit Fund Set Aside	\$28,175	\$3,750	\$31,925
042-500620	Additional Fringe Benefits	\$125,000	\$0	\$125,000
049-584994	Transfer to Other State Agencies	\$20,036,796	\$3,750,000	\$23,786,796
050-500109	Personal Service-Temp/Appointe	\$408,051	\$0	\$408,051
060-500601	Benefits	\$947,586	\$0	\$947,586
066-501709	Employee Training	\$3,000	\$0	\$3,000
070-500706	In-State Travel	\$3,000	\$0	\$3,000
080-500715	Out-of-State Travel	\$2,500	\$0	\$2,500
101-500729	Medical Payments to Providers	\$364,616	\$0	\$364,616
102-500731	Contracts for Program Services	\$8,955,016	\$0	\$8,955,016
211-500757	Property and Casualty Insurance	\$424	\$0	\$424
Total Expenses		\$34,562,349	\$3,753,750	\$38,316,099

2. Contingent upon approval of Requested Action #1, pursuant to RSA 14:30-a, VI, authorize the Department of Health and Human Services to accept and expend additional Intra-Agency transfer from the Disproportionate Share Hospital Program in the amount of \$3,750,000 which will be used to replace Provider Fees which are less than estimated, effective upon approval by the Fiscal Committee and Governor and Council through June 30, 2020, and further authorize the allocation of these funds in the accounts below. 100% Intra-Agency Funds.

05-95-94-940010-87500000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SERVICES, HHS: NEW HAMPSHIRE HOSPITAL, ACUTE PSYCHIATRIC SERVICES

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
001-484947	Inter-Agency	\$16,023,820	\$3,750,000	\$19,773,820
007-402865	Tuition - APC	\$23,000	\$0	\$23,000
009-405921	Agency Income- Provider Fees	\$26,047,291	(\$3,750,000)	\$22,297,291
	General Fund	\$21,802,454	\$0	\$21,802,454
	Total Revenue	\$63,896,565	\$0	\$63,896,565

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
010-500100	Personal Svcs - Perm Classified	\$ 23,962,351		\$23,962,351
012-500128	Personal Svcs - Unclassified	\$ 1,161,880		\$ 1,161,880
018-500106	Overtime	\$ 3,103,187		\$ 3,103,187
019-500105	Holiday Pay	\$ 528,153		\$ 528,153
020-500200	Current Expenses	\$ 112,902		\$ 112,902

NHH SFY2020 continued:

CLASS OBJ	CLASS TITLE	Current Modified Budget	Increase (Decrease) Amount	Revised Modified Budget
022-500255	Rents- Leases other	\$ 554,639		\$ 554,639
026-500251	Organizational Dues	\$ 275		\$ 275
030-500301	Equipment	\$ 5,000		\$ 5,000
037-500166	Technology - Hardware	\$ 2,500		\$ 2,500
038-500175	Technology - Software	\$ 1,360		\$ 1,360
039-500180	Telecommunications	\$ 13,455		\$ 13,455
042-500620	Additional Fringe Benefits	\$ 1,274,460		\$ 1,274,460
050-500109	Personal Service – Temp	\$ 1,373,047		\$ 1,373,047
057-500531	Books, Periodicals, Subscription	\$ 81,965		\$ 81,965
059-500117	Temp Full-time	\$ 452,157		\$ 452,157
060-500601	Benefits	\$ 14,150,887		\$14,150,887
066-500543	Employee Training	\$ 20,001		\$ 20,001
070-500700	Instate Travel Reimb.	\$ 1,505		\$ 1,505
080-500710	Out of State Travel	\$ 2,500		\$ 2,500
100-500726	Prescription Drug Expenses	\$ 1,571,000		\$ 1,571,000
101-500729	Medical Payments to Providers	\$ 1,214,465		\$ 1,214,465
102-500731	Contracts for Program Services	\$ 14,266,011		\$14,266,011
501-500425	Payments to Clients	\$ 42,865		\$ 42,865
	Total Expenses	\$ 63,896,565	\$0	\$63,896,565

EXPLANATION

The Department is requesting to (1) increase the amount of federal Medicaid Disproportionate Share Hospital (DSH) Program revenue and (2) accept a transfer of DSH funds (intra-agency to NHH) for uncompensated care to offset a reduction in Other Funds (provider fees).

1. The Disproportionate Share Hospital (DSH) payment program is a joint State and Federal program designed to reimburse hospitals for uncompensated care of uninsured and Medicaid insured patients. When services are provided to Medicaid insured individuals the state makes payments on behalf of the individuals but the level of reimbursement is typically a fraction of the cost. The DSH payment at New Hampshire Hospital (NHH) is calculated by determining the cost of care for the uninsured and the Medicaid patients and subtracting any payments received to arrive at the uncompensated care cost (UCC). The UCC is then split evenly between state and federal funds. Many factors contribute to the volatility of the budgeted amount, the least of which are patient mix, legislative changes and inflation.

Additional funding is requested due to projected costs from uncompensated care that are higher than the original budget estimate. The Source of Funds is 100% Federal Funds.

Funds are budgeted as follows:

Class 041- Audit costs per state requirements.

Class 049- Transfer to other State Agencies will be used for New Hampshire Hospital Disproportionate Share Hospital Payments.

2. This request is being made to accept and expend additional intra-agency income from Medicaid Disproportionate Share Hospital program, which are revenues to cover the hospital cost of uncompensated care. The Department has earned this additional DSH revenue by having a higher-than-anticipated amount of unreimbursed bed days and the Department seeks to utilize these additional funds not budgeted to address program revenue shortfalls from Provider Fees.

Funds from Provider fees are lower than budgeted due to a larger than anticipated number of patients unable to be discharged into appropriate community settings. When this occurs, commercial insurance carriers reduce their level of reimbursement because patients waiting for discharge do not require the same level of acute care services that carry higher reimbursement rates.

Patients who are unable to be discharged to a lower level of care setting may qualify as Administrative Necessity. The Centers for Medicare and Medicaid Services permits partial payments (in the form of federal DSH revenue) for uncompensated care for qualified patients who are hospitalized due to Administrative Necessity. While the Department cannot estimate the exact reduction in provider fees for SFY 2020 as compared to the budget, the Department anticipates it will be close to the \$3,750,000 earned in additional DSH revenue.

Source of Funds: These funds are 100% Federal Funds from the United States Department of Health and Human Services Centers for Medicare and Medicaid Services, Medicaid, Catalog of Federal Domestic Assistance (CFDA) #93.778.

In the event that these Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Lori A. Shabinette
Commissioner